

COMPACT GOAL

The five-year, \$697.5 million compact with the Kingdom of Morocco seeks to reduce poverty and stimulate economic growth through investments in five projects. These strategic investments will increase productivity and improve employment in high growth potential sectors such as fruit tree productivity, small-scale fisheries, and artisan crafts. Small business creation and economic growth will also be complemented by investments in financial services and enterprise support.

COMPACT AT A GLANCE

Compact Signed	08-31-2007
Entry Into Force	09-15-2008
Compact End Date	09-15-2013
Compact Total	\$697,500,000
Amount Committed	\$645,667,623
Amount Expended	\$645,667,623*
Estimated Program Beneficiaries	823,233
Estimated Increase in Household Income	\$860,408,732

% OF TOTAL COMPACT BUDGET (USD MILLIONS)

46%	Fruit Tree Productivity Project	\$323.3
16%	Small-Scale Fisheries Project	\$111.5
12%	Artisan and Fez Medina Project	\$83.6
6%	Financial Services Project	\$42.8
8%	Program Administration	\$56.4
2%	Monitoring and Evaluation	\$16.2
2%	Enterprise Support Project	\$15.1



■ Project Preparation ■ Project Implementation

Fruit Tree Productivity Project

Stimulate the agricultural sector and reduce production volatility by rehabilitating existing olive trees and expanding production of olive, almond and fig trees; moving small farms from high water-use, lower-value cereal grains to low water-use, higher-value fruit trees in certain terraced areas; and supporting increased irrigation efficiency and productivity.

Projected Long-Term Results (Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
579,925	\$505,300,000

PROJECT COST

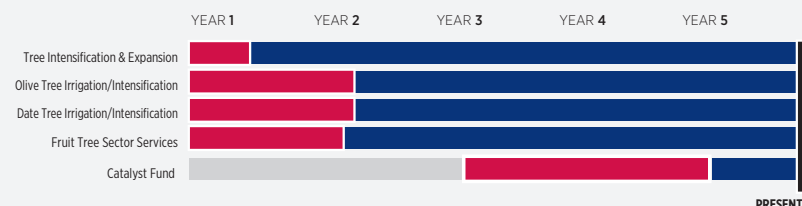
\$323,369,991

TOTAL CONTRACT COMMITMENTS

\$323,369,991

TOTAL PROJECT EXPENDITURES¹

\$323,369,991



PROJECTED RESULTS BY END OF COMPACT

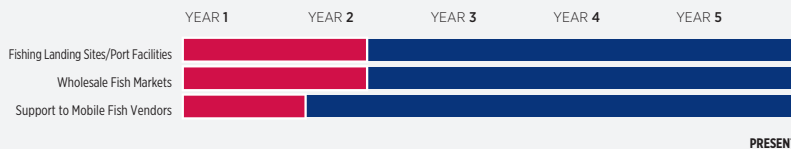
49,860 farmers trained; 583 agribusinesses assisted. 62,074 new hectares are under production with MCC support, as well as agricultural production worth \$129.5 million.

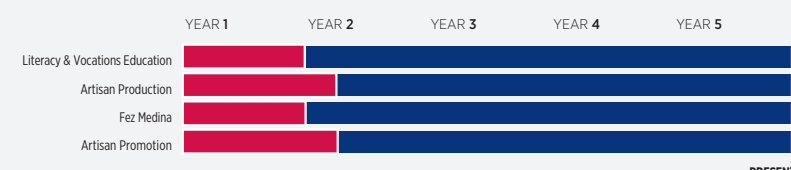
PROGRESS TO DATE

The project has planted almost 61,000 ha in rain-fed areas and completed soil and water conservations works on 33,038 ha. An additional 33,983 ha of olive orchards and 19,393 ha of date palm orchards are benefitting from improved irrigation. Over 40,000 adult farmers, 15,400 young farmers and 114 olive and date processing firms have benefited from the project's training programs.

PROJECT ACHIEVEMENTS

The compact has awarded grants to 20 federations of olive producers' cooperatives under the project's Catalyst Fund, and to 14 pilot projects for women, helping women's cooperatives launch value-adding enterprises in the olive, almond, fig and date value chains. Additional capital for Catalyst Fund grantees comes from the cooperatives; Crédit Agricole de Maroc, Morocco's agriculture bank and the Ministry of Agriculture and Maritime Fisheries

Small-Scale Fisheries Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES¹
	\$111,590,669	\$111,590,669	\$111,590,669
Transform the small-scale fisheries sector by: constructing landing sites, building/upgrading fishery facilities; building wholesale markets; providing technical assistance; partially funding fresh-fish transportation equipment for mobile fish vendors; and establishing marine protected areas and increasing efforts to ensure sustainable use of fish resources.			
	PRESENT		
Projected Long-Term Results (Up to 20 years)			
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME		
125,590	\$273,300,000		
	PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE	PROJECT ACHIEVEMENTS
	Net annual revenues of boats accessing the improved landing sites expected to increase from \$19,140 to \$31,370; Annual income of mobile fishermen expected to increase from \$3,586 to \$4,880.	Construction at all 26 sites is complete, and all but 5 of these are operational. 22 improved landing sites and ports are providing benefits to the crews of 2,070 boats, approximately 7,200 fishermen. To date, 19,750 fisherman have received training certificates, and 933 mobile vendors have completed training and have received improved equipment.	Two pilot projects to integrate women more fully into fish value chains are completed. In addition, the project has established marine protected areas (MPAs) at three sites. MPAs are critical to ensuring the sustainability of the resource upon which small-scale fishing operations depend.

Artisan and Fez Medina Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES¹
	\$83,689,850	\$83,689,850	\$83,689,850
Stimulate growth by leveraging links between the craft sector, tourism and the Fez medina's cultural, historic and architectural assets; strengthen the national system for literacy and vocational education (to benefit artisans and the general population); support the design/reconstruction of historic sites in medina.			
	PRESENT		
Projected Long-Term Results (Up to 20 years)			
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME		
104,718	\$65,300,000		
	PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE	PROJECT ACHIEVEMENTS
	Rehabilitate five Fez medina sites; raise average wages and profits of small and medium pottery workshops from \$1,870 to \$2,843 per month; 69,000 beneficiaries receiving literacy training and 23,700 receiving vocational training.	Construction of the foundouks achieved 68% completion for Chemmaine-Sebitriyine, 41% for Berka and 31% for Staouniyine. Remaining work, including remaining construction at PLY, continues using only Government of Morocco funding. No MCC funds are associated with this project after the compact end date. An operational strategy to sustain MCC-funded competency-based training efforts, which benefited over 22,000 artisans, is being adopted.	Construction of the foundouk and workshops at Ain Nokbi is complete; all workshops are occupied and in operation, and beneficiaries are moving into the foundouk spaces. More than 400 artisans have benefitted from promotion and marketing activities. A new label for hand made crafts has been developed for Moroccan artisans.

Financial Services Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES*
	\$42,817,020	\$42,817,020	\$42,817,020
Increase financial services for microenterprises by addressing sector constraints: investing in Jaida Fund's subordinated debt; analyzing regulatory and operational requirements for microcredit associations to change legal structure; supporting improvements to financial sector efficiency and transparency.	<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div>		
	<div><div>Access to Microfinance Funds</div><div></div><div></div><div></div><div></div></div>		
	<div><div>New Financial Product Development</div><div></div><div></div><div></div><div></div></div>		
	<div><div>Operating Efficiency/Transparency</div><div></div><div></div><div></div><div></div></div>		
	<div><div>PRESENT</div></div>		
<div>Projected Long-Term Results (Up to 20 years)</div>			
<div>ESTIMATED BENEFICIARIES</div>	<div>ESTIMATED INCREASE IN HOUSEHOLD INCOME</div>		
<div>N/A</div>	<div>\$0</div>		
<div>This project is designed to be demand-driven and the number of beneficiaries will depend on the actual demand for microcredit borrowing; therefore, beneficiary numbers are not estimated.</div>	<div>PROJECTED RESULTS BY END OF COMPACT</div>	<div>PROGRESS TO DATE</div>	<div>PROJECT ACHIEVEMENTS</div>
	<div>Improve micro-enterprise services and remove the most severe constraints to the development of the microfinance sector based on market principals; ensure funding of the micro-credit sector through the Jaida Fund; develop new financial products.</div>	<div>All MCC-funded technical assistance and technological innovation projects were completed by the end of the compact, and all 150 MCC-purchased vans and pick-ups have been transformed into mobile banking branches.</div>	<div>MCC's \$30 million loan to the Jaida Fund supports thousands of Moroccan micro and small enterprises. Regulatory changes and technical assistance will allow microfinance institutions to seek new sources of funding and provide new services to clients.</div>

Enterprise Support Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES*
	\$15,126,518	\$14,878,605	\$14,479,013
Reduce high unemployment among young university graduates and encourage a more entrepreneurial culture by: measuring the impact of three pilot training initiatives being offered by the Government; expanding training initiatives beginning in compact year four; and capacity building to help the Government better manage the selection and training processes for entrepreneurs.	<div><div>YEAR 1</div><div>YEAR 2</div><div>YEAR 3</div><div>YEAR 4</div><div>YEAR 5</div></div>		
	<div><div>Nat'l Agency of Small/Medium Business Training</div><div></div><div></div><div></div><div></div></div>		
	<div><div>Office of Prof. Training & Labor Promotion Training</div><div></div><div></div><div></div><div></div></div>		
	<div><div>Nat'l Initiative for Human Development Training</div><div></div><div></div><div></div><div></div></div>		
	<div><div>PRESENT</div></div>		
<div>Projected Long-Term Results (Up to 20 years)</div>			
<div>ESTIMATED BENEFICIARIES</div>	<div>ESTIMATED INCREASE IN HOUSEHOLD INCOME</div>		
<div>3,000</div>	<div>The value added per enterprise is expected to increase on average by \$1,080 per year.</div>		
	<div>PROJECTED RESULTS BY END OF COMPACT</div>	<div>PROGRESS TO DATE</div>	<div>PROJECT ACHIEVEMENTS</div>
	<div>Increase the survival rate of new businesses from 76% to 81%.</div>	<div>The first phase of training and support to enterprises was completed in March 2012.</div>	<div>Training and capacity building was provided to three Government of Morocco implementing entities, enabling them to complete enterprise diagnostics and oversee the coaching of entrepreneurs. This includes installing an information system allowing them to track progress. 600 enterprises and revenue generating associations received direct training and technical assistance, which included 7,820 days of individual coaching.</div>

^{*}Compact ended on September 15, 2013 and is currently undergoing administrative closure through January 13, 2014. MCC and MCA are reviewing final contractor work and invoices to determine compact expenditures through the compact end date. Final disbursement values will be included in the final compact status report.

The Agence du Partenariat pour le Progrès (APP) is the entity implementing the Moroccan Compact.

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In July of 2011, MCC approved the reallocation of \$21.2 million from the Artisan and Fez Medina Project to the Fruit Tree Productivity Project for creation of a new project activity. The activity, called the "Catalyst Fund," aims to stimulate private sector investment in the olive oil value chain.

In May of 2012, MCC decided not to proceed with the training scale-up of the Enterprise Support Project. MCC determined that while the pilot phase met its implementation targets, there was insufficient quantitative evidence and an Economic Rate of Return below the hurdle rate, as required by the Morocco Compact, to justify scaling up to the second phase of the project.

Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.